CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

February 3, 2009

INVOCATION:
Pastor Herbert Burch of Grace Lutheran Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Orach led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Director of Public Works/City Engineer Whitehead, Acting Director of Community Development Woods, Police Chief Macagni, Fire Chief Ortiz, Director of Utilities Sweet, Director of Administrative Services Snodgrass, Director of Recreation and Parks Posada, City Librarian Buchanan, Assistant City Attorney Sinco, and Chief Deputy City Clerk Perez.

ANNOUNCEMENTS:
Mayor Lavagnino announced that the City had just received word from Congresswoman Lois Capps' office that the City's application for a federal grant for the Library had been approved for $147,000. The grant will allow the City to install a radio communications system in the Main Library, a public broadcasting system for Shepard Hall, videoconferencing, data projection and assisted listening systems throughout the Library, and equipment and modular furniture that had been previously cut from the budget.

He also announced that initially, the City had been told by the State that it could apply jointly with the County of Santa Barbara and Lompoc for a Neighborhood Stabilization Grant in the amount of $1,570,047. However, the City just received word that the State had changed its methodology for calculating the allocations, and the City was now eligible as a direct grantee for $1,258,602. The grant is designed to provide funds to help states and local governments deal with abandoned and foreclosed properties.

RESOLUTION COMMENDING WILLIAM GOOD
Councilmember Cordero read a resolution honoring and commending William Good, Fire Engineer, for 34 years of outstanding service to the City of Santa Maria and the community and congratulating him on his retirement.

Resolution No. 2009-11 was adopted on motion by Councilmember Cordero, seconded by Councilmember Zacarías, and carried on the following vote:

AYES:	Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2009-11 adopted. A RESOLUTION COMMENDING SANTA MARIA FIRE ENGINEER WILLIAM GOOD FOR HIS 34 YEARS OF OUTSTANDING SERVICE TO THE CITY OF SANTA MARIA AND CONGRATULATING HIM ON HIS RETIREMENT.

Mr. Good stated it didn't seem like 34 years. It was an honor and pleasure to serve the citizens of Santa Maria for the last 34 years. He asked the City Council to continue supporting the Fire Department because they do a great job for the citizens of Santa Maria.

RESOLUTION COMMENDING SISTER JANET CORCORAN

Mayor Lavagnino read a resolution honoring and commending Recreation and Parks Commissioner Sister Janet Corcoran for 17 years of outstanding service as a member of the Recreation and Parks Commission and for her work to improve the entire Santa Maria Valley.

Resolution No. 2009-12 was adopted on motion by Mayor Lavagnino, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2009-12 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, COMMENDING RECREATION AND PARKS COMMISSIONER SISTER JANET CORCORAN FOR HER 17 YEARS OF OUTSTANDING SERVICE TO THE CITY OF SANTA MARIA.

Sister Janet Corcoran accepted the recognition in the name of the Sisters of St. Francis, her parents and all who have influenced her throughout her life to be a voice for all, especially the voiceless and vulnerable. She said she had been blessed to serve with many dedicated leaders in the community and cherished each Commissioner she had the privilege of serving with. She thanked Recreation and Parks Director Posada and his staff. She highlighted the accomplishments of the Commission during her years on the Commission. She thanked the Councilmembers who had appointed her to the Commission.

RESOLUTION COMMENDING ROXANNE VENTRIGLIA

Councilmember Patino read a resolution honoring and commending Block Grants Advisory Committee Member Roxanne Ventriglia for five and a half years of outstanding service as a member of the Block Grants Advisory Committee and wishing her the best in her future endeavors.

Resolution No. 2009-13 was adopted on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2009-13 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, RECOGNIZING AND COMMENDING ROXANNE VENTRIGLIA FOR HER OUTSTANDING SERVICE TO THE RESIDENTS OF SANTA MARIA AS A MEMBER OF THE BLOCK GRANTS ADVISORY COMMITTEE.

Roxanne Ventriglia stated she was proud of the City of Santa Maria and the Block Grants Advisory Committee. She was proud of the leadership of the City who is committed to helping people in need and less fortunate. It was an honor to do such great work for the City.

PUBLIC COMMENT

Bob Ziener spoke about the increasingly difficult economic times and a unique opportunity to create a think tank to explore and create the City's economic future.

Sister Janet Corcoran asked the Council to accept the Recreation and Parks Commission's recommendation to allow smoking in designated areas only along the perimeters of parks. The decision of the Council to have designated areas within the parks was not acceptable because as a person walked through the area, they would experience drifting second hand smoke. She talked about the effects of second hand smoke, especially on children. She asked the Council to reconsider their decision and accept the recommendation of the Recreation and Parks Commission.

Daniel Cadena spoke in opposition of the proposed cigarette ban at City parks. He said he was a life-long nonsmoker and did not like cigarette smoke or smell; however, he was speaking in support of cigarette smokers. He talked about the harmful effects of smoke caused by fireworks over the 4th of July which was much worse than a few cigarette smokers in City parks.

Ernest Armenta stated at the last Council meeting there was a discussion about floral sales and banning them from Broadway. He said he didn't feel it was appropriate for a Councilmember to ask the person promoting the ban to do a favor for someone who was opposed. Secondly, since it was the City of Santa Maria that approved the homes around the levee, the City should be paying for the extra flood insurance not the homeowners.

Paula James stated that before Christmas she had a telephone conversation with the Mayor who indicated her group had placed the City on a sanctuary list. It was the Ohio Jobs and Justice website. She presented a list of victims of illegal aliens, and said it was a shame that there were so many deaths at the hands of illegal aliens.

CONSENT CALENDAR
Mayor Lavagnino announced that at the request of Joan Leon, the minutes of the last meeting had been corrected and should be approved as corrected.

Consent Calendar Items A through L were approved on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarias, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of January 20, 2009, were approved as corrected.

C. ORDINANCE NO. 2009-01
Council conducted the second reading by title only of Ordinance No. 2009-01 authorizing an amendment to the contract between the City Council of the City of Santa Maria and the Board of Administration of the California Public Employees' Retirement System for Section 21362.2 (3% @ 50 Full Formula) for local fire members and adopted the Ordinance.

Ordinance No. 2009-01 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING AN AMENDMENT TO THE CONTRACT BETWEEN THE CITY COUNCIL OF THE CITY OF SANTA MARIA AND THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

D. ORDINANCE NO. 2009-02
Council conducted the second reading by title only of Ordinance No. 2009-02 amending Section 5-2.09 of Title 5 of the Santa Maria Municipal Code related to false alarms and adopted the Ordinance.

Ordinance No. 2009-02 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING SUBSECTION (b) AND REPEALING SUBSECTION (c) OF SECTION 5-2.09 "MISUSE AND FALSE ALARMS" OF THE MUNICIPAL CODE.

E. VOLUNTARY TIME OFF PROGRAM
Resolution No. 2009-14 was adopted designating the period of February 4, 2009, through December 31, 2009, as a period of economic hardship for the City of Santa Maria and authorizing the City Manager to implement a Voluntary Time Off (VTO) Program.

Resolution No. 2009-14 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, DESIGNATING A PERIOD OF ECONOMIC HARDSHIP AND IMPLEMENTING A VOLUNTARY TIME OFF (VTO) PROGRAM.

F. WARRANTS
Warrant Nos. 148022 to 148392 totaling $3,607,233.80 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 138979, 138998, 139032, 139498, 146443, 147869, and 148086 were cancelled.

G. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

H. ORDINANCE NO. 2009-03
Council conducted the second reading by title only of Ordinance No. 2009-03 making annual minor technical amendments to various sections of the Santa Maria Municipal Code and adopted the Ordinance.

Ordinance No. 2009-03 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING VARIOUS SECTIONS OF THE SANTA MARIA MUNICIPAL CODE, RELATING TO PERSONNEL, SMOKING POLLUTION CONTROL, CAMPING, TRAFFIC, AND HISTORICAL LANDMARKS.

I. NOTICE OF COMPLETION
Council approved the Notice of Contract Completion for Street Reconstruction-West Creston/Marlberry Street/Palmetto Drive, Bid No. 2009/04, and directed the Chief Deputy City Clerk to record the Notice.

J. NOTICE OF COMPLETION
Council approved the Notice of Contract Completion for Philbric Road Reconstruction, Bid No. 2009/07, and directed the Chief Deputy City Clerk to record the Notice.

K. TEMPORARY ENTRY PERMIT AGREEMENT
Resolution No. 2009-15 was adopted authorizing the Mayor to sign a Temporary Entry Permit Agreement on behalf of the City of Santa Maria issued by the Santa Maria Public Airport District to allow entry onto property the District is going to dedicate for Union Valley Parkway.

Resolution No. 2009-15 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, TO APPROVE THE SANTA MARIA PUBLIC AIRPORT DISTRICT (SMPAD) TEMPORARY ENTRY PERMIT AGREEMENT.

L. INTENT TO ANNEX
Resolution No. 2009-16 was adopted expressing intent to annex Good Samaritan Shelter into the Northwest Landscape and Lighting District, API Manufacturing Project into the Southwest Landscape and Lighting District, Diaz Tires/Central Coast Body & Paint into the Northeast Landscape and Lighting District, and Barcellus Plaza into the South Miller Street/South College Drive Landscape and Lighting District.

Resolution No. 2009-16 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, INITIATING PROCEEDINGS AND DECLARING THE INTENTION TO ANNEX TERRITORY TO ASSESSMENT DISTRICTS PURSUANT TO THE "LANDSCAPE AND LIGHTING ACT OF 1972" (GOOD SAMARITAN SHELTER, API MANUFACTURING PROJECT, DIAZ TIRES/CENTRAL COAST BODY & PAINT, AND BARCELLUS PLAZA).

Mayor Lavagnino convened a Joint Meeting of the City Council and Redevelopment Agency for the following Consent Calendar item only.

JOINT CITY COUNCIL/REDEVELOPMENT AGENCY CONSENT CALENDAR:

ROLL CALL: Councilmembers/Boardmembers Cordero, Orach, Patino, Zacarías and Mayor/Chairperson Lavagnino were all present.

M. ORDINANCE NO. 2009-05 AND 2009-01
Council and Redevelopment Agency conducted the second reading by title only of Joint City Council/Redevelopment Agency Ordinance No. 2009-05 and 2009-01 approving revisions to the Downtown Specific Plan.

Joint Ordinance No. 2009-05 and 2009-01 adopted. AN ORDINANCE OF THE CITY COUNCIL AND REDEVELOPMENT AGENCY OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING REVISIONS TO THE DOWNTOWN SPECIFIC PLAN, FILE NO. SPZ-2004-001, E-2004-001.

Mayor Lavagnino adjourned the Joint City Council/Redevelopment Agency Meeting and reconvened the Regular City Council Meeting.

McCOY LANE TRAFFIC MANAGEMENT ALTERNATIVES
Mayor Lavagnino announced that he, Councilmember Cordero, and Director of Public Works/City Engineer Whitehead met with Rich Krumholtz and Steve Price from Caltrans on January 16th. They came up with the recommendation before the Council tonight. It was the same alternative suggested by Mr. Downer at the last public workshop. He thanked them for their assistance.

Director of Public Works/City Engineer Whitehead gave the staff report. As development in the area of West McCoy Lane has occurred, congestion on West McCoy Lane has become an increasing cause of concern to the community, including residents of the Somerset Gardens development. These residents provided public testimony during the City Council's review and approval of the proposed Refugio Townhomes development. In response to the public testimony, the City Council directed staff to investigate and address the traffic safety and congestion problems. In May 2008, the Public Works Department held a public workshop regarding West McCoy Lane traffic congestion issues. The public input from the workshop was presented to the City Council on July 15, 2008. At that meeting, the City Council directed the Public Works Department to install new striping and traffic delineators on McCoy Lane west of Broadway to simulate traffic conditions of a raised median. The median prohibits left turn movements into and out of the Kohl's Shopping Center driveways. This work was completed in August 2008.

The installation of the temporary median on West McCoy Lane has had two important results. First, it has reduced traffic accidents and congestion at the Kohl's/Walgreens driveways. This goal was the primary reason for the City Council's action to install the median. Second, it has had a negative economic impact on the businesses that depend on the driveways for their customers' access. These results were discussed at a

second public workshop held on January 12, 2009. In addition, staff has monitored the traffic volumes on McCoy Lane, as well as the traffic volumes at the McCoy Lane and Broadway driveway entrances to the Kohl's Shopping Center. Staff has analyzed and evaluated the temporary median installation for appropriateness following the trial period directed by the City Council. Staff has also worked with Caltrans to find solutions to the traffic congestion problems in the area. Finally, the Police Department increased law enforcement presence in the area.

Staff has developed eight possible alternatives. After working closely with Caltrans, staff recommends Option No. 1 which would reconfigure the existing median to allow left turns both in and out of the Kohl's Shopping Center driveway on West McCoy Lane. However, staff would not recommend this option if it is the only change to the existing configuration. Configuration changes at the McCoy Lane/Broadway Intersection are also necessary. During the past several months, the Public Works Department has worked with Caltrans to adjust the signal timing for both Broadway and McCoy Lane to allow more vehicles to move through the left-turn lane (eastbound to northbound). This work did not increase the capacity of the left turn pocket; it merely added time to the traffic signal phase to allow more vehicles to make it through the signal. Caltrans staff analyzed data provided by the City and suggested a reconfiguration of the west leg of the Broadway/McCoy intersection. The reconfiguration would create a second left turn lane for vehicles traveling eastbound on McCoy Lane to northbound on Broadway, thereby increasing the capacity of the left turn storage at the traffic signal. The existing bike lane would be relocated to the south curb and the right-turn only lane would be converted to a through/right-turn lane for vehicles to travel southbound on Broadway from eastbound McCoy Lane. This option coupled with modifying the existing temporary median to allow left turns in and out of Kohl's Shopping Center driveway would increase the number of access points for customers as well as increase the storage capacity for vehicles traveling eastbound on McCoy Lane who wish to travel northbound on Broadway.

Mayor Lavagnino opened the public hearing.

Jim Perry, Somerset Gardens, stated he had been to all the meetings on this. There were a number of accidents on McCoy Lane at the Kohl's Shopping Center entrance. There have been no accidents since the median went in. He recommended that the barrier be modified so people could make a left turn onto McCoy from the shopping center, but he was opposed to westbound left turns from McCoy Lane into the shopping center. He was also in favor of the second left turn lane on Broadway northbound.

Steve Gallegos stated there have not been any accidents for the last 14 months at the entrance on McCoy into the shopping center. He was in favor of the new proposal. He asked that the Council listen to the small business owners during these hard economic times. He said all of this was brought on by a small group of people from Somerset Gardens with no data to back it up.

John Bolton, co-owner of Yogurt Creations, Inc., stated his company strongly urged the Council to approve Option 1. His company came to Santa Maria and signed a 10-year lease in that shopping center. Part of the reason they came to Santa Maria was the traffic flow at the shopping center. They paid over $12,000 in Traffic Mitigation Fees before they even opened their doors. He also pointed out that after June 7, 2007, there were no accidents on McCoy Lane. He recommended reinstalling the left turn access into the shopping center.

David Steinberg, regional real estate director for Rite Aid, stated they also wanted to recommend Option 1. Rite Aid relocated from across the street and built a beautiful new building. They tried to put their best foot forward in the community. Before they do that, they look at traffic flow. The delineators have been extremely hurtful to their business. The ease of access was critical for their business and all the businesses in the shopping center.

Ernest Armenta stated he felt sorry for the businesses. He could not see himself sitting in a backed-up line to get into the Kohl's Shopping Center. He could see it backing up

onto Broadway. He preferred having to use the entrance on Broadway. He could not support Option 1.

Hearing no further requests to speak, Mayor Lavagnino closed the public hearing.

Councilmember Zacarías stated she spent some time seated on the second floor of one of the businesses watching the traffic in that area when it first became an issue. She was pleased to support the temporary median. She thanked everyone involved in trying to find a solution. She still wanted to educate people about the Broadway entrance and asked about additional signage to direct people to the Broadway entrance. She also wanted to make sure there was no pedestrian crossing on McCoy Lane with adequate signage.

Public Works Director/City Engineer Whitehead stated when staff discussed putting some signage on South Broadway, Caltrans staff members were not supportive of that because they didn't want additional distractions for drivers or clutter. If it was the desire of the City Council, he would submit an encroachment permit package to Caltrans. He indicated additional signage could be installed to restrict pedestrians from crossing McCoy Lane at the Kohl's Shopping Center entrance.

Councilmember Patino stated she had also supported the temporary delineators and felt Option 1 should be tried. Pedestrians cross where they are not supposed to, and they ignore signage. She thanked Director Whitehead for all his work. She expressed concern about people going north on Santa Maria Way and turning right onto Broadway on a red light when people on Broadway were making "U" turns. She asked about having "no right turn on red" at that location.

Councilmember Cordero stated whatever decision the Council made was still temporary. The City was trying to get people educated to enter Kohl's off of Broadway. He asked if anyone had contacted Kohl's to see if they might do something to attract people to that entrance.

Councilmember Orach stated at McCoy and Miller there were two turning lanes which accommodated a lot of traffic going south on Miller. He thought having two left-turn lanes off of McCoy onto Broadway would take pressure off of McCoy because it would allow additional stacking.

City Manager Ness asked the Council to provide direction to staff on reporting back.

On motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote, staff was directed to proceed with Option 1 and report back after a three-month review period. Council set June 2, 2009, as the report-back date.

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

ZONING TEXT AMENDMENT TO CHAPTERS 35 AND 43 OF TITLE 12 OF THE SANTA MARIA MUNICIPAL CODE PROHIBITING THE TEMPORARY DISPLAY AND SALE OF FLOWERS EXCEPT BY ESTABLISHED BUSINESSES THAT SELL FLOWERS

Assistant City Attorney Sinco gave the staff report. The City Attorney's Office presented a staff report to the City Council on August 19, 2008, regarding the City's regulations concerning outdoor display and sale of merchandise, including the legality of prohibiting outdoor floral sales. The City Council expressed interest in banning flower vendors from the City because of unfair competition with "brick and mortar" businesses, aesthetics, and traffic safety. On January 20, 2009, the City Council, on a 5-0 vote, adopted a temporary urgency ordinance prohibiting the outdoor sale of flowers throughout the City. The interim ordinance included an exception for temporary outdoor sales of flowers by established businesses that sell flowers. Although not included in the interim ordinance, staff had identified two additional exceptions to the general ban on outdoor flower sales:

(1) an exception for flower sales at certified farmer's markets; and (2) an exception for flower sales at the swap meet at the Highway Drive-In on Santa Maria Way. The proposed permanent ordinance which will amend Sections 12-35.302 and 12-43 of Title 12 of the Municipal Code was considered by the Planning Commission on January 21, 2009, and was approved on a 3-1-1 vote with Commissioner Brown opposed and Commissioner Waterfield absent.

Councilmember Zacarías stated the way she understood it, established flower shops would be allowed to display their flowers outside.

Assistant City Attorney Sinco responded that if their permit from Community Development allowed outdoor displays, they would be able to; otherwise, they would be limited to once per quarter for 72 hours like any other business.

Councilmember Patino asked where the City currently had seasonal sales of fruits and vegetables.

Assistant City Attorney Sinco stated based on the proposed ordinance it would be at the Farmer's Market and the Swap Meet. He had seen a booth on Blosser Road; although, he had never seen it in operation. That would be prohibited under the ordinance.

Mayor Lavagnino opened the public hearing.

Ernest Armenta stated he thought about the enforcement of this ordinance and didn't think tax dollars during these economic times should be used to cite flower vendors. He asked about plants rather than flowers. He felt there were more important things the City should be worried about than the sale of flowers.

Hearing no further requests to speak, Mayor Lavagnino closed the public hearing.

Ordinance No. 2009-06 prohibiting the temporary outdoor display for sale of flowers was introduced by title only and continued to the next meeting for second reading and adoption on motion by Councilmember Patino, seconded by Councilmember Zacarías, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2009-06 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA AMENDING SECTIONS 12-35-302 AND 12-43.01 OF CHAPTER 12 OF THE SANTA MARIA MUNICIPAL CODE TO PROHIBIT THE TEMPORARY OUTDOOR DISPLAY FOR SALE OF FLOWERS EXCEPT BY ESTABLISHED BUSINESSES THAT SELL FLOWERS.

APPOINTMENT TO CODE COMPLIANCE BOARD

Chief Deputy City Clerk Perez gave the staff report. The terms of office of certain members of the Code Compliance Board expired on January 31, 2009. The City Council made two of the three required appointments at its meeting on January 6, 2009. However, after the close of the filing period, it was discovered that two of the terms of office had been inadvertently switched several years ago, and the term of incumbent Justin Randall should have expired in January 2009 rather than January 2010. As a result, the Council authorized an extension of the filing deadline to give Mr. Randall an opportunity to make application. The City Clerk's Office advertised the deadline extension in the Santa Maria Times, on the City's website, and sent a letter to Mr. Randall informing him of the discrepancy. As a result of the deadline extension, three applications were received from Herb Bolton, Justin Randall, and David Sibley. Mayor Lavagnino will make the nomination to be confirmed by the City Council.

Mayor Lavagnino nominated Justin Randall for reappointment to the Code Compliance Board.

On motion by Mayor Lavagnino, seconded by Councilmember Orach, and carried unanimously, Justin Randall was reappointed to the Code Compliance Board for another term ending in January 2011.

FINANCIAL REPORT FOR SECOND QUARTER ENDING DECEMBER 31, 2008, AND A BUDGET AMENDMENT REPORT – FISCAL YEAR 2008-09.

Director of Administrative Service Snodgrass gave the staff report. With 50 percent of the year complete, revenues are at 34.3 percent of projections while expenditures are at 47.8 percent of appropriations. Total revenue and transfers are $19 million which is $572,000 less than last year. Departmental expenditures are $26.9 million, approximately $1.1 million more than the prior year. To date through December 31st, General Fund revenues are approximately $600,000 less than last year at this time. By year-end, the City could be faced with a General Fund gap of $2 million. The City will be required to use one-time reserves to cover this financial gap. The City's sales tax consultant preliminarily estimates that next year's sales tax revenue will be $3.1 million less than budgeted. Consequently, immediate and decisive action is now in order to maintain sustainable service levels. The City Manager has instituted a hiring chill, the immediate suspension of all non-mandated training and travel requests, the deferral of all but the most critical capital purchases, the reinstitution of the Voluntary Time Off Program, and a request that departments come within 95 percent of appropriation authority in operating funds. In the Water/Wastewater Fund, expenditures exceeded revenues by $6.8 million, primarily as a result of payments for State Water and as a result of large capital projects. In the Solid Waste Fund, refuse expenses exceeded revenues by $2.6 million as a result of capital outlay/projects. While the financial challenges facing the City are of historic proportion, the financial challenges do not include potential raids on municipal revenues by the State of California. The State of California budget gap is estimated to be $42 billion over the next year and half. Governor Schwarzenegger declared that California faces insolvency within weeks if lawmakers do not close the deficit. The financial crisis at the State and Federal level, coupled with the ongoing recession is having a significant negative impact on the local economy as well as City revenues. The closure of several large retail stores, the loss of 600 construction jobs, and falling home values have all played an instrumental part in the downturn of the local economy and have resulted in low consumer confidence. A budget amendment report is included for Council's consideration.

Mayor Lavagnino stated he thought Non-Hazardous Impacted Soils (NHIS) revenue was budgeted at $2 million. Without NHIS, the City would be in worse shape.

Councilmember Orach stated car sales for January were down significantly nationwide. Auto sales was one of the most positive sales tax generators for the City.

Councilmember Zacarías asked about the sales tax projections for the 2009-10 fiscal year.

Director Snodgrass stated the projections would be about $15 million for next year, and $18 million was budgeted.

Councilmember Patino asked about the Fire Department being over budgeted by 6.1 percent largely attributable to mutual aid and wildland reimbursable services. She asked what the off-setting revenue would amount to.
Director Snodgrass explained that the City was reimbursed 100 percent.

Fire Chief Ortiz stated the City was due to be reimbursed about $575,000 from the State and Federal government. Those funds were starting to trickle in.

Councilmember Zacarías asked what cost savings would be generated from the Voluntary Time Off Program.

Director Snodgrass stated if 10 percent of employees took one day a month off without pay, it would generate about $50,000.

Councilmember Zacarías stated Council salaries did not amount to much, but the day might come when Council would need to give up their salaries and cut their budget. She appreciated what City staff was being asked to do.

Mayor Lavagnino stated he was going to suggest that whatever percentage of pain the employees had to suffer, the Council would as well.

Ernest Armenta stated he thought there was some language in the union contracts that if there was a financial hardship, the contracts could be renegotiated. Cuts had to go from the top to the bottom.

Resolution No. 2009-17 was adopted approving amendments to the budget on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2009-17 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE BUDGET FOR 2008-09 AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

CITY MANAGER'S REPORT

City Manager Ness reported on anticipated items for the February 17, 2009, City Council meeting including a presentation by Cabrillo Economic Development Corporation on foreclosure prevention, the Chamber of Commerce and Economic Development Commission mid-year reports, Uniform Rules for Ag Preserves, SMAT Maintenance and Operations Agreement, and appointments to the All-America City Committee and Landmark Committee.

ORAL REPORTS BY COUNCILMEMBERS

Councilmember Orach reported that he attended the Meritorious Community Service Awards Dinner on January 22nd, the Andre, Morris & Buttery Business Symposium at the Clark Center on January 26th, and he and his wife celebrated their birthdays at Disneyland on Sunday.

Councilmember Zacarías reported she was again volunteering for the VITA tax preparation service every Saturday during tax season, she met with students from Cal Poly who were working on the Bank of American Low-Income Housing Challenge. She wanted to make sure that the Recreation and Parks Commission was informed that their input on the tobacco-free parks issue was very important.

Councilmember Patino stated she attended the People for Non-Violence meeting to begin planning Peace Week activities for the week of October 12, 2009, and Fighting Back Santa Maria Valley had a group of six kids and five adults going to Washington, D. C. for the Community Anti-Drug Coalition of America (CADCA) Conference.

Councilmember Cordero reported that he attended the League of California Cities New Mayors and Councilmembers Institute in Sacramento. The major topic of discussion was the financial crisis throughout the Country. On January 30th, he attended the ribbon cutting ceremony for the US Highway 101 Widening Project.

Mayor Lavagnino reported that on January 21st he spoke at the Census Bureau opening, on January 22nd he went to the Central Coast Water Authority (CCWA) meeting and was appointed Chairperson, on January 24th he attended the Wal-Mart benefit barbecue for Isis McCann, spoke at the Santa Maria Human Resources Association at the Santa Maria Inn, attended the YMCA kickoff, the Mayor's Summit in Buellton, and the Highway 101 ribbon cutting ceremony.

Councilmember Zacarias stated she missed her first Housing Task Force meeting because she was in Sacramento. However, she had someone present an idea for an ordinance that requires bank-owned foreclosures to not evict renters immediately upon foreclosure. Some cities were adopting ordinances that required bank-owned foreclosures to continue renting at fair market value for up to one year.

CLOSED SESSION:
Council recessed to a Closed Session at 8:35 p.m. for Conference with Labor Negotiators pursuant to Section 54957.6 of the Government Code: Agency Representative: Assistant City Manager, Employee Organization: Santa Maria Police Officers Association (SMPOA); Conference with Legal Counsel – Anticipated Litigation, 1 case; and Conference with Legal Counsel – Existing Litigation, Jose Betancourt v. City of Santa Maria, et al, Case No. 1273966.

After the Closed Session, the following report was given:

Conference with Labor Negotiators – SMPOA: Direction to staff was given.

Conference with Legal Counsel – Anticipated Litigation: A status report was given.

Conference with Legal Counsel – Existing Litigation: Direction to staff was given.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned by Mayor Lavagnino at 9:41 p.m.

APPROVED

February 17, 2009
Date

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

ATTEST

Chief Deputy City Clerk

Mayor of the City of Santa Maria